

SENATE BILL 404
By Herron

AN ACT to amend Tennessee Code Annotated, Title 8, Chapter 27, relative to insurance benefits for active and retired teachers.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 8-27-303(a)(1)(A), is amended by deleting the first sentence thereof and substituting instead the following:

From appropriations made each year in the general appropriations bill for that purpose, the department of education is authorized to pay, on behalf of each eligible local education employee, and the employee's dependents, an amount of the total cost of such person's participation in the basic insurance plan, based on such person's years of service in accordance with the following schedule:

<u>Years of Service</u>	<u>Percentage of Cost</u>
0 – 5	45%
5 – 15	50%
15 – 25	55%
25 – 30	60%
31	66%
32	73%

33 or more

80%

SECTION 2. Tennessee Code Annotated, Section 8-27-702, is amended by redesignating subdivision (b)(1) to be subdivision (b)(1)(A), and by adding the following new subdivision:

(b)(1)(B) Notwithstanding the provisions of subdivision (b)(1)(A), the committee shall make a contribution on behalf of retired teachers based on the following schedule:

<u>Years of Service</u>	<u>Percentage of Cost</u>
0 – 5	45%
5 – 15	50%
15 – 25	55%
25 – 30	60%
31	66%
32	73%
33 or more	80%

SECTION 3. This act shall take effect July 1, 2003, the public welfare requiring it.